

## Overdraft Pre-Contractual Information and Terms for your smile Current Account

You have recently applied for a new **smile** Current Account (“Account”) with an overdraft. Please read this document carefully, and contact us if you have any questions.

We, The Co-operative Bank p.l.c. of P.O. Box 101, 1 Balloon Street, Manchester M60 4EP are offering you a variable rate arranged overdraft, repayable on demand on the above account. This overdraft is available to you from the Effective Date set out in this document. The terms applicable to the overdraft are binding on you from the Effective Date until it is repaid, cancelled or it expires.

### Effective Date

The date on which we approve your application for this overdraft and your Account is opened.

### Your agreement with us

Your agreement with us is made up of the terms and conditions set out in this document, your current account charges leaflet and your current account terms and conditions. It’s important that you read these carefully.

### Overdraft Limit

£500.

### Term and review

This arranged overdraft will expire one year after the overdraft effective date (this is the Expiry Date). We will review the arranged overdraft before the Expiry Date and will contact you again at this time.

### Important

You agree to repay all amounts owed to us by your use of this overdraft on the Expiry Date or immediately on our written demand. Any written demand will be sent by post to the address last notified to us and will be treated as having been received by you 3 days after posting and that you’ve received any email or text message immediately. We will normally give you warning that your arranged overdraft must be repaid or its limit reduced, but we may ask for repayment or reduce the limit without notice. The Expiry Date may be extended by us following an enquiry from you to change your credit limit.

### Debit Interest

We will charge debit interest on any arranged or unarranged, overdrawn balance at an Annual Interest Rate of 35.9%. Until repayment, if applicable, you will continue to pay interest and charges both before and after any court order in our favour.

We will not charge you more than £60 of debit interest per month. If we agree to refund any previously charged debit interest during any month then the £60 limit will increase by the amount of those refunded charges.

If applicable, interest on your overdraft is calculated on the cleared balance each day and deducted on the 21st of each month or the nearest Business Day after. To help avoid unexpected overdraft charges you should regularly monitor your Account. You can check your balance at cash machines, in branches, via telephone banking or online. Also, be aware of the timing of your standing orders and Direct Debits.

### What do we mean by Business Day?

A Business Day is usually Monday to Friday (excluding bank holidays). For example, for some payments our Business Day is all day, every day, but branch opening hours will be the normal Business Day for payments at a branch.

## Total charge for credit

An indication of the total charge for credit for this arranged overdraft is £155.28. This figure is illustrative only and calculated upon the assumptions that you draw down the entire overdraft only once at the start of the facility and repay it in one amount on the Expiry Date with no use of the Account affecting the calculation.

The total amount payable by you for your overdraft will be any amount by which your Account goes overdrawn together with applicable interest and charges. Other taxes and costs may exist which are not paid via, or applied by, us.

## Monthly cap on unarranged overdraft charges

The monthly cap on unarranged overdraft charges for your current account is £60.

Each current account will set a monthly maximum charge for:

- a) going overdrawn when you have not arranged an overdraft; or
- b) going over/past your arranged overdraft limit (if you have one).

This cap covers any:

- a) interest and fees for going over/past your arranged overdraft limit;
- b) fees for each payment your bank allows despite lack of funds; and
- c) fees for each payment your bank refuses due to lack of funds.

This is a standard definition of the monthly cap on unarranged overdraft charges that all banks are required to use. The monthly cap refers to the charges and interest applied in a charging period, not a calendar month. Please note that we do not charge fees for allowing or refusing a payment where you have a lack of funds.

## Overdraft charges cap

We will not charge you more than £60 in debit interest in one charging period. This means that whatever type of overdraft you use (arranged or unarranged or both), the maximum you will pay per charging period will be £60.

Once the £60 cap is reached, we will waive any further interest for that charging period.

See the Account Charges Leaflet relevant to your account for more details.

## Changes to your overdraft limit

Changes to your overdraft limit may be made at any time and for any of the following reasons:

- to respond to changes in your circumstances, your use of your Account or our credit assessment of you
- as a result of an enquiry by you
- to respond to changes in the law, codes of practice, industry-wide fraud prevention practices, a court ruling or ombudsman decision, or any regulatory rule, guidance, requirement or decision issued by any regulator or body exercising statutory powers (including, but not limited to, the Prudential Regulation Authority, the Financial Conduct Authority, the Payment Systems Regulator, the Financial Ombudsman Service, or the Competition and Markets Authority)
- to respond to changes in the general retail practices of banks and other organisations offering similar services including the terms on which they offer similar products
- to respond to any change in our ownership or to reflect a reorganisation of our business as a result of it being acquired or merging with another bank or organisation to make sure that our customers and the customers of the other organisation are treated in a similar way if they have a similar product
- if we reasonably believe the change is necessary in the interests of our business as a whole, for example to maintain our financial strength in the interests of all our customers.

## Changes to these overdraft terms and conditions

As detailed in your Account terms and conditions, we may also change our overdraft terms and conditions or introduce new services or conditions for the following reasons:

- to make these conditions easier to understand or fairer to you
- to correct mistakes, ambiguities, inaccuracies or omissions where it is reasonable to do so or as a result of customer feedback
- to make improvements to the services we provide which are of benefit to you
- to reflect changes in security design or technology at no increased cost to you
- to respond to changes in the law, codes of practice, industry-wide fraud prevention practices, a court ruling or ombudsman decision, or any regulatory rule, guidance, requirement or decision issued by any regulator or body exercising statutory powers (including, but not limited to, the Prudential Regulation Authority, the Financial Conduct Authority, the Payment Systems Regulator, the Financial Ombudsman Service, or the Competition and Markets Authority)
- to respond to changes in the general retail practices of banks and other organisations offering similar services including the terms on which they offer similar products
- to respond to any change in our ownership or to reflect a reorganisation of our business as a result of it being acquired or merging with another bank or organisation to make sure that our customers and the customers of the other organisation are treated in a similar way if they have a similar product

- if we reasonably believe the change is necessary in the interests of our business as a whole, for example to maintain our financial strength in the interests of all our customers.

## Changes to overdraft charges

In addition to the reasons listed above, we can make changes to the charges applicable to the Account or introduce new charges for the following additional reasons:

- to respond to reasonable cost increases or reductions associated with providing the particular services to you
- to reflect the introduction of new services or facilities in connection with an Account
- to respond to changes made in the charges applied by our competitors in the retail financial services market offering similar services to customers with similar products.

Where the change to the overdraft terms or charges is favourable it will be applied to your Account immediately and we will tell you about the change within 30 days of it being applied by information displayed on our website, by branch notices, national press advertisements, statement messages or inserts or by writing to you (this can include email) and by any combination of these methods of communication.

Where the change to the overdraft terms or charges is not favourable to you we will tell you about the change by personal notice at least 30 days before we make the change. Personal notice will be by post or email communication. The change will apply to your Account automatically 30 days from the date we give you notice of the change. However, if you do not agree to such a change you can, at any time up to two months from the date we tell you of the change, switch your Account or close it without paying any extra charges or interest. If you do not switch or close your Account, you will be deemed to have accepted the change. Remember, you can close your Account at any time if you want (see condition 19 of your Account terms and conditions).

## Changes to overdraft debit interest rates

We may change interest rates for the following reasons:

- to respond to a change or changes in the bank rate (that is the rate set by the Bank of England (or any successor))
- to respond to a change in LIBOR (that is the London Inter Bank Offered Rate) or a change in any other index or rate which affects the costs we incur in acquiring funding
- to reflect the introduction of new services or facilities in connection with an Account
- to respond to changes in our credit assessment of you
- to respond to changes in the general retail practices of banks and other organisations offering similar services including the terms on which they offer similar products
- to comply with any changes in law or regulation or any regulatory rule, guidance, requirement or decision of any government body or regulator (including, but not limited to, requirements or decisions of the Prudential Regulation Authority, the Financial Conduct Authority, the Payment Systems Regulator, the Financial Ombudsman Service, or the Competition and Markets Authority).

Where your Account charges debit interest (i.e. our overdraft interest rates) we may make changes to our debit interest rates at any time for the reasons listed above. The new rates will apply to your Account automatically.

Where the change to debit interest rates is favourable to you the interest rate will be applied to your Account immediately and we will tell you about the favourable change within 30 days of it being applied by information displayed on our website, branch notices, national press advertisements, statement messages or inserts, or by writing to you (this can include email) and by any combination of these methods of communication.

Where the change to debit interest rates is not favourable to you we will tell you about the change by personal notice at least two months before we make the change. Personal notice will be by post or email communication. However, if you do not agree to such change you can, at any time up to two months from the date we tell you of the change, switch your Account or close it immediately without paying any extra charges or interest. If you do not switch or close your Account you will be deemed to have accepted the change. Remember, you can close your Account at any time if you want (see condition 19 of your Account terms and conditions).

## Cancellation

If for any reason you are not happy with your overdraft, you can cancel your agreement, without giving a reason, within 14 days of you receiving the terms and conditions. You can do this by sending us a secure message or speaking to us via Livechat in Online Banking, writing to us at The Co-operative Bank p.l.c., P.O. Box 222, Unit 550, Metroplex Business Park, Broadway, Salford Quays, Manchester M50 2UE, or in a Co-operative Bank branch.

\* You will need to answer some security questions.

Within 30 days after telling us you want to cancel, you must repay anything you have borrowed (including any interest payable).

If you choose not to cancel, the overdraft will continue and these terms and conditions will apply. After the expiry of the 14 day cancellation period you can still end the overdraft agreement at any time by repaying all amounts owed to us.

## Consultation with a Credit Reference Agency

If we reject any application by you for an overdraft on the basis of information obtained from a credit reference agency, when

we inform you of that decision, we will also inform you (without charge) that our decision is based on information obtained from a Credit Reference Agency.

## If you have a complaint

If you have a complaint regarding this agreement, please telephone us on 03457 212 212~ or write to Customer Response, The Co-operative Bank p.l.c., 2nd Floor, 1 Balloon Street, M60 4EP.

If you are still unhappy with our response you may be entitled to refer your complaint to the Financial Ombudsman Service, Harbour Exchange, London E14 9SR or telephone 0800 023 4567 or email [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk). For more information visit: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk). The Financial Ombudsman Service is a free service set up to help resolve individual disputes between customers and businesses providing financial services in the UK.

If you purchased your account online you may also have the option to refer your complaint to the Financial Ombudsman Service using the Online Dispute Resolution platform. The platform has been established by the European Commission to provide an online tool for consumers to resolve disputes about goods and services purchased online. The platform can be found at <http://ec.europa.eu/consumers/odr/>.

## Terms and conditions for your Account

Separate and additional terms and conditions apply to your Account, if you do not have a copy please contact us. Where the terms in this document are different to or conflict with the Account terms and conditions, the terms in this document will apply.

## Governing law

This agreement (and all our dealings with you before the agreement) is governed by the laws of England and Wales. Any dispute that arises regarding this agreement will be dealt with by any court in the United Kingdom, Isle of Man and Channel Islands that is able to hear the case. All communications with you will be in English.

**Please call 03457 212 212~ (lines open 8am to 8pm, 7 days a week) if you would like to receive this information in an alternative format such as large print, audio or Braille.**

The Co-operative Bank p.l.c. is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (No.121885). The Co-operative Bank, smile and Britannia are trading names of The Co-operative Bank p.l.c., P.O. Box 101, 1 Balloon Street, Manchester M60 4EP. Registered in England and Wales No. 990937. Credit facilities are provided by The Co-operative Bank p.l.c. and are subject to status and our lending policy. The Bank reserves the right to decline any application for an account or credit facility. The Co-operative Bank p.l.c. subscribes to the Standards of Lending Practice which are monitored by the Lending Standards Board.

Information correct as at 04/2020.

~Calls to 03 numbers cost the same as calls to numbers starting with 01 and 02. Calls may be monitored or recorded for security and training purposes.

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